



# CONGRESSMAN HENRY A. WAXMAN NEWS

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Washington Report  
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August 5, 1981

## REAGAN TAX BILL A BIG MISTAKE

Last week I voted against the Reagan tax bill and pleaded with my colleagues to do likewise. As you know, both houses of Congress passed the measure by a wide margin. I believe we have made a mistake of colossal proportions. These are some of the criticisms I made on the Reagan tax proposal when I spoke against it from the floor of the House of Representatives.

1) We are paying for this tax cut by recklessly slashing essential **social** programs. Millions of Americans who need help with such basics as food, housing, medical care and education will find programs they need destroyed or sharply reduced.

2) We have ignored the obvious opportunity to finance modest tax cuts with modest cutbacks in defense spending. I believe in a militarily strong America. I voted for the full Reagan defense budget. However, I know that budget is full of waste, fat and corruption. We have not begun to hold defense spending to the standard of leanness and cost effectiveness to which domestic programs are being held.

3) Under the slogan of "getting the government off the backs of the American people" the Reagan Administration is unleashing the merciless forces of the profit motive and market mechanisms on American consumers. Budget and staffing decisions being made by the Reagan Administration are sharply reducing the ability of the federal government to protect consumers from shoddy goods, from dishonest sales techniques and from downright dangerous products.

4) Ironically, the same conservative Republicans who have preached balanced budgets for decades have now doomed us to enormous budget deficits. This year and next year the deficits will run at about \$60 billion per year. No one knows how huge the deficits will be in 1983 and 1984 when the revenue losses caused by the tax bill reach the figures of \$100 billion for '83 and \$150 billion for '84.

MORE MORE MORE

There is little doubt in my mind that President Reagan and his budget whiz David Stockman will use these intolerably large deficits not to correct the tax structure but to justify further cuts in social programs. Nothing will be sacred -- not Medicare -- not even Social Security.

If the Reagan tax bill is so bad why is it so popular? Why did we hear so little protest against it? Those whom it hurts most -- the poor, the ill-educated, the elderly, school children, have the fewest resources to defend themselves. Most of the victims are too weak and too disorganized to protest against these violations of their basic rights.

Those who benefit the most are simply sitting back and smiling like the proverbial cat who swallowed the canary.

Oil companies will save \$7 billion a year: big corporations get a \$10 billion tax break. Wealthy families will save \$6 billion in estate taxes. Professional commodity speculators are in line for a half-billion dollar tax relief windfall.

The Reagan tax bill is bad economics -- it will fuel not fight inflation. It is bad social justice. It benefits most those who already have the most benefits. Unfortunately, millions of innocent people will have to suffer a lot before either Congress or the President moves to redress the wrongs done by this bill.

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